

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

Civil Action No. 1:20-cv-1181

v.

MICHAEL W. ACKERMAN,

Defendant.

DECLARATION OF KATHLEEN STRANDELL

Pursuant to 28 U.S.C. Section 1746, the undersigned states as follows:

1. My name is Kathleen Strandell. I am over twenty - one years of age and have personal knowledge of the matters set forth herein.
2. I am a Senior Accountant at the United States Securities and Exchange Commission in the Miami Regional Office ("Commission"). I am also a Certified Public Accountant, licensed in the State of Florida as well as a Certified Fraud Examiner.
3. As part of my responsibilities in this matter, I analyzed the amount of money that customers deposited with Defendant Michael Ackerman and Q3 Holdings, LLC (collectively, the "Defendants") and related entities. I also analyzed the amount of money that was returned to investors and the amount of money that was transferred to virtual (crypto) currency exchanges.
4. In the matter concerning Michael Ackerman, I reviewed the following bank accounts:

Bank Name	Last Four Account Digits	Account Name
Signature Bank, N.A	3542	Q3 Holdings, LLC
Signature Bank, N.A	3534	Q3 I, LLP
Wells Fargo	0816	Co-founder Relative

EXHIBIT

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5. Michael Ackerman was a signatory on both accounts at Signature Bank along with two co-founders of Q3 Holdings, LLC. The account at Wells Fargo was in the name of a co-founder of Q3 Holdings, LLC and one of his relatives and both were the signatories on the account.

6. I also reviewed document productions consisting of Microsoft Excel Spreadsheets produced by the Defendants. These Excel spreadsheets purported to track the amounts the Defendants raised from investors.

7. Additionally, based on my review of the accounts identified in ¶4 above, from July 2017 until December 2019, less than \$10 million of investor funds was transferred to virtual exchanges.

8. The accounts and documents identified in ¶4 and ¶6 reflect that from no later than July 1, 2017 until at least December 1, 2019, approximately \$32,822,743 was raised from approximately 160 Investors. In addition, approximately \$5,642,169 was returned to at least 46 investors.

9. The amount of principal raised from investors minus the amounts returned to investors is calculated as follows:

Amount raised from investors:	\$32,822,743
<i>Minus</i> Amount returned to investors:	<u>(\$5,642,169)</u>
<i>Total</i>	<u>\$27,180,574</u>

10. I was also asked to calculate prejudgment interest using an internal system maintained by the Commission called “ENF Prejudgment Interest Calculator” using the following inputs:

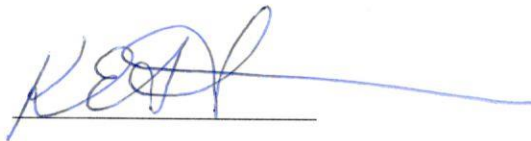
- a. \$27,180,574 as the violation amount;
- b. November 18, 2019, the last date that investor funds were deposited as a violation start date; and
- c. November 2, 2022, the date of the request to calculate prejudgment interest, as the payoff date.

11. Based on the inputs noted in ¶10 above, \$3,122,944.62 was calculated as prejudgment interest. A copy of the Prejudgment Interest Report is attached as Exhibit A.

12. Combining the violation amount of \$27,180,574 with the calculated prejudgment interest of \$3,122,944.62 results in a total value of \$30,303,518.62.

I declare under penalty of perjury that the foregoing is true, correct, and made in good faith.

Executed on this 17th day of November 2022 in Miami, Florida.



Kathleen E. Strandell



**U.S. Securities and Exchange Commission
Prejudgment Interest Report**

Exhibit A

Ackerman PJI

Quarter Range	Annual Rate	Period Rate	Quarter Interest	Principal+Interest
Violation Amount				\$27,180,574.00
12/01/2019-12/31/2019	5.00%	0.42%	\$115,424.36	\$27,295,998.36
01/01/2020-03/31/2020	5.00%	1.24%	\$339,335.50	\$27,635,333.86
04/01/2020-06/30/2020	5.00%	1.24%	\$343,554.01	\$27,978,887.87
07/01/2020-09/30/2020	3.00%	0.75%	\$210,988.33	\$28,189,876.20
10/01/2020-12/31/2020	3.00%	0.75%	\$212,579.39	\$28,402,455.59
01/01/2021-03/31/2021	3.00%	0.74%	\$210,100.36	\$28,612,555.95
04/01/2021-06/30/2021	3.00%	0.75%	\$214,006.24	\$28,826,562.19
07/01/2021-09/30/2021	3.00%	0.76%	\$217,976.20	\$29,044,538.39
10/01/2021-12/31/2021	3.00%	0.76%	\$219,624.45	\$29,264,162.84
01/01/2022-03/31/2022	3.00%	0.74%	\$216,474.63	\$29,480,637.47
04/01/2022-06/30/2022	4.00%	1%	\$293,998.69	\$29,774,636.16
07/01/2022-09/30/2022	5.00%	1.26%	\$375,241.99	\$30,149,878.15
10/01/2022-10/31/2022	6.00%	0.51%	\$153,640.47	\$30,303,518.62
Prejudgment Violation Range				Quarter Interest Total
12/01/2019-10/31/2022				\$3,122,944.62
				Prejudgment Total
				\$30,303,518.62